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Report of the Standing Committee on Poverty Alleviation on its third session

held at the Palais des Nations, Geneva,
from 12 to 16 June 1995

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INTRODUCTION

1. The Standing Committee on Poverty Alleviation held its third session at the Palais des Nations, Geneva, from 12 to 16 June 1995.

2. In the course of its session, the Standing Committee held four formal plenary meetings (12th to 15th plenaries) and seven informal meetings.

Opening statements

3. The **Chairman** drew attention to the magnitude of poverty existing in the world. Unevenly distributed among and within countries, poverty had a propensity to afflict women and children disproportionately. "Putting people first", as recommended by the World Summit for Social Development, was the only way to respond to this daunting challenge. He then referred to the recommendations to the Social Summit made by the Standing Committee at its second session with respect to the links between poverty alleviation and international trade, structural adjustment policies, the burden of debt servicing and debt-conversion and schemes in support of small-scale enterprises and small-holders engaged in exports production. In following up the recommendations of the Social Summit and preparing for the International Year for the Eradication of Poverty (1996), the United Nations system could seek to mitigate poverty by making sure that each and every constituent part of the system combated poverty in accordance with its specialized area of competence and expertise. Only through such a collective approach could the multifaceted task of eliminating poverty be effectively tackled. In this respect, UNCTAD's focus on poverty elimination had been linked to its areas of responsibility and specialized competence in trade and development through increased export opportunities, foreign direct investment, commodities, and science and technology, paying particular attention to the least developed countries, of which the African countries comprised the largest group. The substantive items before the current session were highly relevant to the core issues on the provisional agenda of UNCTAD IX, namely, poverty and increased marginalization. In closing, he referred to the review of the work programme (TD/B/CN.2/15, para. 16, sections (a) to (f)) which contained suggestions by the UNCTAD secretariat for a sustained effort to eliminate poverty.

4. The **Officer-in-charge of UNCTAD** said that the issues on the Standing Committee's agenda were of the utmost importance. The examination of the links between poverty alleviation and international trade was timely, given the recent entry into force of the Uruguay Round agreements. There was broad consensus in the international community that these agreements represented a major step forward in achieving trade liberalization and the consolidation of a rule-based international trading system. The question of their impact on world poverty still remained to be answered, however. As for the effectiveness of official development assistance for poverty alleviation (agenda item 4), it was hoped that the Committee would be able to reach a consensus on practical recommendations to national Governments and donor institutions. This subject was currently the object of intense scrutiny and appraisal in both donor and recipient countries. It was also important for the Standing Committee to review the implementation of its work programme and the possible future orientation of the work of UNCTAD on poverty alleviation. With regard to the former, that is the substantive work carried out by the

Committee, the range of topics addressed was impressive, both with respect to chronic and sporadic poverty. They included structural adjustment policies, social funds and safety nets, the social mobilization of the poor, and poverty alleviation in relation to international trade, on the one hand, and the effectiveness of official development assistance in reaching the poor and needy, on the other. The findings and recommendations had been passed on to national capitals; several had also been incorporated into the Agreed Programme of Action of the World Summit for Social Development. A growing number of requests for technical assistance had been received from member States, along with proposals for joint research projects with other international organizations. In sum, much had already been accomplished during the Committee's brief existence, constituting a sound basis on which to deal with outstanding matters concerning poverty alleviation that remained an imperative need.

5. The international community had made clear at the World Summit for Social Development how much was to be done for socio-economic development in general, and poverty alleviation in particular. The two were entwined: absolute poverty was clearly associated with the question of whether or not a country was developing, while relative poverty tended to reflect income distribution, economic opportunity and social mobility. In either case, poverty alleviation was linked to economic and social progress and therefore remained at the centre of efforts aimed at achieving socio-economic progress. For UNCTAD, the main challenge was to establish organizational links between the work on poverty and the other activities and mandates in which it could offer comparative advantages. The experience gained in poverty alleviation in relation to international trade showed that powerful analytical synergies could be brought to bear. A similar experience had occurred in the context of the work of the Commission on Science and Technology for Development, which had examined the impact of technological change on the satisfaction of basic needs. This effort could also be extended to other areas of work within UNCTAD, such as foreign direct investment, commodities and the development of the least developed countries. Thus UNCTAD could reinforce to the utmost its contribution to the implementation of the recommendations of the Social Summit and the preparations for the International Year for the Eradication of Poverty, in 1996. In analysing the possible orientation of the work programme of the Standing Committee after UNCTAD IX, the Committee might wish to examine the proposals contained in the "Review of the implementation of the work programme of the Standing Committee on Poverty Alleviation, and proposed future orientation of the work of the Committee" (TD/B/CN.2/15).

Chapter I

ANALYSIS OF THE EFFECTS ON THE LIVELIHOOD OF THE POOR OF ELIMINATION OF TRADE BARRIERS, INCREASED COMPETITIVENESS, TRADE FLOWS, EXTERNAL SHOCKS, DIVERSIFICATION OF EXPORTS, PARTICULARLY OF LABOUR-INTENSIVE GOODS, AND MARKET ACCESS FOR SUCH GOODS

ANALYSIS OF THE EFFECTIVENESS AND IMPACT OF INTERNATIONAL DEVELOPMENT COOPERATION FOR POVERTY ALLEVIATION, INCLUDING THE IDENTIFICATION OF IMPEDIMENTS, INNOVATIVE MEASURES AND EFFECTIVE STRATEGIES FOR REACHING THE POOR

(Agenda items 3 and 4)

6. For its consideration of these items, the Standing Committee had before it the following documentation:

"International trade and poverty alleviation", report by the UNCTAD secretariat (TD/B/CN.2/13);

"International development cooperation for poverty alleviation: aid effectiveness", report by the UNCTAD secretariat (TD/B/CN.2/14);

"Review of the implementation of the work programme of the Standing Committee on Poverty Alleviation, and proposed future orientation of the work of the Committee", note by the UNCTAD secretariat (TD/B/CN.2/15);

"Report on the Workshop on Poverty Alleviation through International Trade" (Santiago, Chile, 10-13 January 1995) (UNCTAD/ECDC/PA/1).

General debate

7. The **Director of the Division for Economic Cooperation among Developing Countries and Special Programmes** introduced the two substantive items on the agenda. Turning first to international trade and poverty alleviation (TD/B/CN.2/13), item 3 of the agenda, she pointed out that the report first dealt with how the reduced trade barriers and increased trade flows resulting from the Uruguay Round were expected to affect poverty in the developing countries, while the second part treated the question of policy guidelines for developing countries to reduce poverty through encouraging labour-intensive exports that would benefit from the reduced barriers to trade. She also drew attention to the recent workshop held in Santiago (Chile); its conclusions had served as the basis for the strategies proposed in the second part of the report.

8. On the subject of poverty alleviation through official development assistance (ODA) (item 4 of the agenda), the secretariat report emphasized the need for debt relief and increased aid effectiveness in reaching and benefiting the poor. Although one approach was poverty alleviation through trade development while the other sought to accomplish the same end through ODA - they were nevertheless closely linked. She cited the example of a proposed project in Bolivia where UNCTAD had been requested to help prepare a

project document for donor funding of export-oriented floricultural production. Finally, she invited suggestions in respect of the "Review of the implementation of the work programme" (TD/B/CN.2/15).

9. The representative of **Chile** referred to the World Summit for Social Development, and its emphasis on placing people and the quality of life at the centre of economic growth and development policies, and to the forthcoming Ninth Conference of UNCTAD, pointing out that the third session of the Standing Committee should avail itself of the opportunity to evaluate the practical results achieved and make a contribution by implementing the Programme of Action of the Summit in respect of tasks within its mandate. Asspecific achievements to date, the Standing Committee could count (a) exchanges of national experience on ways to alleviate poverty, (b) the analytical work carried out by the UNCTAD secretariat in the preparation of substantive reports for the Standing Committee and (c) the holding of three expert meetings, in particular the Tunis and Santiago workshops. These latter had served to bring together experts intent on seeking remedies to alleviate poverty. As for future sessions of the Standing Committee, he said that it was necessary to change the format of the sessions of the Standing Committee so as to make them more dynamic, beginning by reducing their duration to no more than three days. In concluding, he voiced his Government's gratitude for the work of the UNCTAD secretariat and the financial support of the UNDP and the Governments of the Netherlands and of Switzerland, which had enabled the holding of the workshop in Santiago on poverty alleviation through international trade.

10. The representative of **Brazil** said that his Government attached utmost importance to UNCTAD's role in developing a consistent strategy to combat poverty. UNCTAD's analyses had been used by the authorities in his country as technical references in the formulation of poverty alleviation programmes. UNCTAD's universality was valuable. It offered a unique forum for discussions and exchanges of views on approaches to the subject taken in other parts of the world, with resultant benefits for all concerned. He supported the proposal for cooperation with FAO, WHO and UNCHS/Habitat to identify and adopt improved technologies to satisfy the most pressing needs of the poor (TD/B/CN.2/15, paragraph 16(c)) as the specificities and attributes of the various United Nations bodies and other forums should be maximized. In the face of many sectoral studies on poverty, developing countries had felt the need for consolidated formulations rather than piecemeal, fragmented approaches. An integrated conceptual framework was sought which could serve as a basis for concrete initiatives. For most developing countries, poverty eradication was integral to the development question. As the only intergovernmental body with universal membership dealing exclusively with poverty, the Standing Committee had accumulated valuable experience in the field of development. Hence his Government was in favour of launching, under UNCTAD auspices, a project to develop an integrated approach to poverty eradication. Such a project would constitute the most promising contribution that the Standing Committee could make to the United Nations International Year for the Eradication of Poverty, in 1996. Notwithstanding the complexities of such an undertaking, the difficulties merely underlined the merits of such an exercise.

11. The representative of **France**, speaking on behalf of the **European Union**, stated that the current session had served to perpetuate the objectives of the World Summit on Social Development, which had placed the fight against poverty at the centre of its concerns. With regard to aid effectiveness and international cooperation on poverty alleviation, as outlined in TD/B/CN.2/14, while recognizing that the document highlighted certain essential aid strategies, in particular aid effectiveness through targeting, there was nevertheless some disappointment that the report put the share of ODA that DAC member countries had devoted to aid of a social character geared to satisfy essential needs as amounting to only 7 per cent when in fact the European Union had allocated 23 per cent of aid spending to education, health, water, sanitation, food assistance, emergency humanitarian assistance and debt alleviation, aid that also contributed to reducing poverty. While acknowledging that the allocation of aid could benefit various income groups, he felt that a purely income-based definition of poverty did not properly reflect the complex nature of poverty. Moreover, the report in question did not focus enough attention on the important role of women in the fight against poverty. As for the report's observation that donor countries had been reducing their support given through ODA, several member countries had attained, and even surpassed, the target of 0.7 per cent, while others were close to their goal. Concerning debt reduction, the European Union would have preferred to see the impact of such reductions on poverty alleviation analysed in greater depth. The report had surprisingly not referred to the "Naples" agreement, adopted by the Club of Paris in 1994, with respect to the least developed countries. Although the short-term effects of ODA on poverty alleviation had been examined, the long-term effects had been neglected.

12. That being said, the European Union appreciated the policy guidelines outlined in the document as a means to increase the effectiveness of aid, namely: aid decentralization; aid targeting; adoption of a suitable regulatory framework; sustainability; and programme appraisal. He then drew attention to the basic aims of the European Union with respect to development cooperation on reducing poverty: (a) securing growth that would reduce inequality by favouring the access of the poor to productive resources; and (b) developing basic social services for all, in order to improve the living conditions of the most vulnerable segments of the population especially. In concluding, he said that the work done by the Standing Committee was valuable particularly because of the quality of the documentation prepared for the sessions. As for whether it would be necessary after UNCTAD IX to continue with a specific committee on poverty alleviation, or whether poverty alleviation should not be integrated into each of the individual programmes within UNCTAD's competence, this decision would be for UNCTAD IX to take.

13. The representative of the **European Community** said that the documents prepared by the secretariat had been most enlightening. More could have been said about the Santiago Workshop and the potential for export in sectors other than (a) fresh and preserved vegetables and fruits and (b) footwear and knitwear. The findings of the workshop seemed inconclusive and the conclusions reached (in TD/B/CN.2/13) rather too general and hypothetical in nature. The effects of the Uruguay Round agreements on economic growth did not necessarily coincide with their effects on poverty. It would have been helpful to examine the short- and long-term implications of the Uruguay Round agreements, and to enquire further into the relationship between trade

liberalization, economic growth and poverty alleviation, differentiating not only between developing countries but also in terms of the structures of their economies. Because of the magnitude of uncertainty about the effects of the Uruguay Round, any analysis of its impact on poverty should be deferred for the time being. He expressed reservations about the model utilized in the report: the cross-sectional approach used was not likely to yield satisfactory results. Despite the reservations mentioned, the Community could subscribe to most of the conclusions and policy recommendations set out in TD/B/CN.2/13, paragraphs 70 to 75.

14. The representative of **China** stated that issues on the agenda were of the utmost importance, and that tackling these concerns should serve as an impetus to mobilize the international community to do more. While the new trading system, established as a consequence of the Uruguay Round, would no doubt have an impact on poverty, the nature of this impact was still unknown. The new system should, however, provide an incentive to reduce poverty and be an instrument benefiting the developing countries which still faced an unfavourable trading environment. It should also contribute to enhancing the export capacities of the developing countries, and facilitate access to markets for their exports. To that end, appropriate projects should be devised to improve the trading system. International development cooperation and assistance were effective ways of reducing poverty. International aid should be twofold; it should focus, first, on finding solutions to the debt problem and, secondly, aim at increasing ODA, with particular emphasis on those developing countries with very large numbers of poor people. However, the present level of ODA remained very low. Donor countries sensitive to the particular problems of developing countries could still do a great deal in fulfilling their commitments in this regard.

15. China had poverty alleviation and prosperity as its main development goals: indeed, during the 1980s, many programmes, policies and measures had been designed to reduce poverty at a rapid pace, and China had witnessed a marked reduction in the number of its poor, dropping from 250 million to 80 million in a short space of time. Today a new programme had been set up aimed specifically at lifting the remaining 80 million poor out of poverty over a period of seven years. In this urgent and arduous task, the valuable support, aid and assistance that China was receiving from donor countries and organizations was gratefully acknowledged.

16. The representative of **Japan** said that the secretariat reports were very much appreciated. In line with chapter 5 of the Declaration and Programme of Action of the World Summit for Social Development, these reports had proposed concrete actions which would enable developing countries to formulate their national poverty-alleviation strategies. Economic development required management capacities on the part of Governments and growth-inducing economic institutions which were the basis of self-help development efforts. Japan's international assistance was founded on the concept of supporting the self-help development efforts of developing countries, taking into consideration the development experience of East Asian countries and such elements as ODA, trade, investment and national resources. It was important for developing countries not only to seek more ODA from donors but also to invigorate their own trade and investment activities, foster entrepreneurship and set up appropriate macroeconomic policies and institutions. To the extent

that they could see it appropriate to reduce military spending and allocate these resources to basic development needs, and establish an effective tax collection system, they would reap real benefits. He calculated that the share of Japan's ODA to the social sector had reached 22.6 per cent in 1993; in addition to the social sector Japan provided a substantial amount for infrastructure-building. He concluded by saying that concrete measures should be formulated in the light of the possible unfavourable impacts of the Final Act of the Uruguay Round, taking into account the more vulnerable among the developing countries.

17. The spokesman for the **Asian Group** (Nepal) stated that the third session was taking place following closely upon two important events connected to the present deliberations of the Standing Committee: the creation of the World Trade Organization and the holding of the World Summit for Social Development. The role of UNCTAD ought to be set within the context of the vast subject areas dealt with by the Social Summit. The Asian Group fully supported the agreement reached by the Standing Committee at its second session to link poverty alleviation to the trade and development concerns of UNCTAD. Coordination of UNCTAD's work with work in other forums would be very useful.

18. On the subject of international trade and poverty (agenda item 3), the position taken by the Asian Group at earlier sessions was that the approach to poverty alleviation should be a pro-poor approach. Indeed, the poor had shown that they were capable of working for their own development, provided they were empowered to do so. However, the effects on poverty of unequal competition and market forces of the Uruguay Round agreements, together with the emerging positions taken regarding environmental degradation and labour standards, gave rise to worries concerning the eventual impact of the Uruguay Round on the poor in poorer countries. The Asian Group would like to see the conclusions and policy recommendations set out in TD/B/CN.2/13 analysed thoroughly and realistically. As regards the consequences for the poor of the new trade regime, and the effects on their livelihood of producing labour-intensive goods, the prospects were not bright for most developing countries, particularly the least developed. These countries would no doubt suffer if steps were not taken to redress their situation.

19. Regarding agenda item 4, international development cooperation and its effect on poverty alleviation, the Asian Group believed that the alarming speed at which ODA and other assistance was drying up deserved urgent attention. Referring to the recommendations outlined in TD/B/CN.2/14, namely those concerning the structure of aid expenditure, the measures and strategies to increase the assets and earning capacities of the poor and the institutional issues of financing programmes, the Asian Group was of the opinion that developing countries were in dire need of capital investment in order to implement such measures. To that end, he urged all development partners to fulfil the commitments made at Cartagena and elsewhere.

20. As for the work programme, the issue of poverty in relation to sustainable development had not yet been tackled and should be dealt with in a future session of the Standing Committee. The Asian Group fully supported the suggestions made in TD/B/CN.2/15 as regards the possible future work programme

of the Standing Committee. The Committee should focus in particular on issues of poverty alleviation related to economic and technical subjects for which UNCTAD had primary responsibility in the United Nations system.

21. The representative of **Mexico** cited the World Summit for Social Development and its implications for poverty alleviation, noting that the Standing Committee on Poverty Alleviation should incorporate in its activities the broad integrated approach adopted there, starting with an in-depth analysis of the agreements reached at the Summit. This orientation would strengthen the work of the Standing Committee; new tasks could be identified that would enable the Committee to work in conjunction with other bodies in the United Nations system. In this respect, the Social Summit had established clear responsibilities for the various United Nations agencies, regarding the form and modalities of the follow-up to the Summit. All parts of the United Nations system should become more involved in social development issues, taking care to ensure that their efforts were complementary and combining resources and initiatives, whenever possible, to achieve common objectives. The Mexican authorities considered that the Standing Committee could make an important contribution to this system-wide undertaking, in particular with respect to the link between trade and social development, as set out in paragraph 10 of the Programme of Action of the Social Summit. Such an undertaking by the Standing Committee could help not only orient future work with regard to poverty alleviation, but would also form a substantial input to UNCTAD IX. Mexico's national efforts to alleviate poverty had been structured around specific programmes dealing with education, health, nutrition and housing. An integrated approach to the provision of basic services that involved all members of the community would be the most effective way to eradicate poverty and reduce the marginalization of the poor. Training and support for their productive activities were ways in which the Government had sought to eliminate the structural causes of poverty. Along with allocating more resources to needy social sectors in recent years, Mexico had been host to various international meetings in pursuit of policies for improving the well-being of all while giving high priority to social development and poverty elimination.

22. The representative of **India** observed that the Standing Committee, set up in response to growing concern over persistent, spreading poverty, had made a useful contribution to the understanding of poverty, through analytical studies, seminars and providing a forum for exchanges of country experiences. It had also made an important input to the World Summit on Social Development. He felt that an assessment of the Committee's work at this stage was timely, especially as the mandate would be taken up at UNCTAD IX. Whatever the approach, poverty alleviation should be addressed comprehensively and not in piecemeal fashion.

23. The documentation prepared by the secretariat had been very helpful. TD/B/CN.2/13 presented very interesting conclusions on the impact on the poor of the trade liberalization process. Likewise, it offered useful ideas on how small and medium-sized enterprises could help stimulate an economy. As for TD/B/CN.2/14, his delegation agreed with the general thrust of the report, in particular the need for ODA to be organized along more efficient lines, for more of it to be directed towards developing countries where most of the world's poor were concentrated and for further debt relief.

24. The Uruguay Round had made a positive contribution by bringing predictability and discipline to the international trading system and, by lowering tariffs, it would provide greater market opportunities. However, the latter could be exploited only by countries with the necessary capacity. Hence, capacity-building was a prior corollary for taking advantage of the results of the Round. This required investment not only in the export sector but also in such areas as infrastructure, education and health. Furthermore, as a result of the Round, there had been some erosion of the benefits enjoyed by the developing countries under the Generalized System of Preferences (GSP). Their more open markets and structural adjustments had the effect in some cases of increasing their imports and enlarging their trade deficit, on the one hand, while, on the other hand, the expected benefits from the Round were not immediate. For instance, the result of the removal of quotas under the MFA would span 10 years, with the major benefits accruing towards the end of the period. Developing countries were also more vulnerable to vast fluxes in capital markets and foreign exchange, effects which impinged on employment, income generation and poverty alleviation. More should be done about the promotion of labour-intensive goods for increasing employment and hence fighting poverty. By focusing on such issues, the Standing Committee could make a meaningful contribution to alleviating poverty.

Chapter II

PROCEEDINGS OF THE CLOSING PLENARY MEETING

A. Action by the Standing Committee on Poverty Alleviation

25. At the 16th (closing) plenary meeting on 16 June 1995, the Standing Committee on Poverty Alleviation decided to adopt its draft Agreed Conclusions (TD/B/CN.2/L.10), as amended, and to annex them to the report of its session. For the text of the Agreed Conclusions, see annex I.

26. At the same meeting, on 16 June 1995, the Standing Committee also decided to annex to the report of its session the Chairman's Summary covering discussions during informal meetings of the Standing Committee on the substantive agenda items and the presentations of the guest speakers.

B. Closing statements

27. The spokesman for the **Asian Group** (Nepal) said that his Group was quite satisfied with the Conclusions agreed upon in the course of the session.

28. The representative of **Chile** complimented the Chairman on his efficient conduct of the session, saying that it would make a good model for all UNCTAD meetings.

29. The spokesman for the **Latin American and Caribbean Group** (Argentina), in expressing satisfaction with the outcome of the work of the Standing Committee, also praised the Chairman for the efficient and pleasant manner in which he had conducted the meetings.

30. The representative of **Switzerland** said that the substantial Agreed Conclusions reached by the Standing Committee augured well for accomplishing important work through UNCTAD.

31. The representative of **China** said that the Agreed Conclusions had emphasized the great importance attached to poverty alleviation and noted that some work in this area should continue.

32. The spokesman for the **Asian Group** (People's Democratic Republic of Korea) observed that the agreed conclusions would serve as a contribution to other work on poverty alleviation.

33. The representative of **France**, on behalf of the **European Union**, expressed appreciation for the realistic Agreed Conclusions that the Standing Committee had adopted.

34. The spokesman for the **African Group** (Ethiopia) voiced satisfaction over the way in which issues of particular concern to his Group had been treated and praised the Chairman for the excellent manner in which he had led the session.

35. The **Chairman** said that the manner in which all delegations had worked together in a spirit of constructive and harmonious cooperation had enabled

the Standing Committee to arrive at Agreed Conclusions to put before the Trade and Development Board for its consideration, with a view to their eventual transmission to UNCTAD IX. The session had accomplished a number of important goals: (a) a rich, lively, constructive debate had taken place on the substantive items on the agenda in both the formal and informal meetings, and (b) a successful review had been made of work accomplished over three sessions. Moreover, the Standing Committee had devised helpful proposals for possible future UNCTAD work consistent with the follow-up action called for by the World Summit for Social Development.

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

36. The third session of the Standing Committee on Poverty Alleviation was opened by Mr. Markus Kummer (Switzerland), Chairman of the Standing Committee at its second session.

B. Election of officers

(Agenda item 1)

37. At the 12th (opening) plenary meeting of its third session, on 12 June 1995, the Standing Committee elected its Bureau, as follows:

Chairman:	Mr. Mounir Zahran	(Egypt)
Vice-Chairmen:	Mr. T. Jokonya	(Zimbabwe)
	Mr. A. Cambitsis	(Greece)
	Mr. A. Rogers	(Chili)
	Mr. G. T. Senadhira	(Sri Lanka)
	Mr. S. Mikhnevich	(Belarus)
Rapporteur:	Mr. H. Tausch	(Switzerland)

C. Adoption of the agenda and organization of work

(Agenda item 2)

38. Also at the opening plenary meeting of its third session, the Standing Committee adopted its provisional agenda (TD/B/CN.2/12) as follows:

1. Election of officers

2. Adoption of the agenda and organization of work

3. Analysis of the effects on the livelihood of the poor of elimination of trade barriers, increased competitiveness, trade flows, external shocks, diversification of exports, particularly of labour-intensive goods, and market access for such goods

4. Analysis of the effectiveness and impact of international development cooperation for poverty alleviation, including the identification of impediments, innovative measures and effective strategies for reaching the poor

5. Other business

6. Adoption of the report of the Standing Committee on its third session to the Trade and Development Board.

D. Other business

(Agenda item 5)

39. Under this agenda item, the Standing Committee took up in informal sessions its review of the implementation of the work programme (see section C of annex I attached).

E. Adoption of the report of the Standing Committee to the Trade and Development Board

(Agenda item 6)

40. At its 15th (closing) plenary meeting, on 16 June 1995, the Standing Committee adopted its draft report (TD/B/CN.2/L.9 and Add.1) and authorized the Rapporteur to complete the text as appropriate to reflect the proceedings of the closing plenary.

Annex I

Agreed conclusions adopted by the Standing Committee on Poverty Alleviation at its third session

A. ANALYSIS OF THE EFFECTS ON THE LIVELIHOOD OF THE POOR OF ELIMINATION OF TRADE BARRIERS, INCREASED COMPETITIVENESS, TRADE FLOWS, EXTERNAL SHOCKS, DIVERSIFICATION OF EXPORTS, PARTICULARLY OF LABOUR-INTENSIVE GOODS, AND MARKET ACCESS FOR SUCH GOODS

(Agenda item 3)

1. Modelling the impact of the Uruguay Round on poverty in terms of the Round's impact on national income has proved a useful way of obtaining an "order of magnitude" estimate of that impact. However, analysis on a disaggregated, country-by-country and sectoral basis could contribute to a better understanding of the effects on income distribution and poverty between and within different sectors of the economy and the need for appropriate policies.

2. There is concern over losses that might be incurred by the least developed countries (LDCs) and net food-importing developing countries due to possible price increases of imported food resulting from the Uruguay Round. Such increases would affect those countries' balance of payments, thus creating hardship for non-food producing, poor households. There would, therefore, be a need for food aid at an adequate level and for technical and financial assistance in line with the relevant decision adopted by the Marrakech Ministerial Conference which concluded the Uruguay Round.

3. It was recognized that the export of labour-intensive goods would be helpful in increasing employment and generating income and would therefore assist in reducing poverty. It was felt that production of such goods could be encouraged by increasing market access for them as well as by facilitating an enabling environment for small and medium-size enterprises.

B. ANALYSIS OF THE EFFECTIVENESS AND IMPACT OF INTERNATIONAL DEVELOPMENT COOPERATION FOR POVERTY ALLEVIATION, INCLUDING THE IDENTIFICATION OF IMPEDIMENTS, INNOVATIVE MEASURES AND EFFECTIVE STRATEGIES FOR REACHING THE POOR

(Agenda item 4)

4. The primary responsibility for alleviating poverty rests with the countries concerned. Official development assistance (ODA) serves as a useful adjunct, and plays an important and complementary role in alleviating poverty.

5. Concern was expressed over the decline in the quantity of ODA directed to developing countries in recent years, and the need for meeting internationally agreed aid targets was emphasized. It is of the utmost urgency that the quality of aid as well as its use by developing countries be further improved in order to make it more effective in alleviating poverty.

6. Consideration should be given to such institutional methods and criteria as targeting, decentralization, appraisal, monitoring and evaluation and an enabling environment and sustainability, so that ODA might reach and benefit the poor.

7. Focusing on women beneficiaries is especially important in enabling aid to reach and benefit the poor more effectively, both because women comprise the poorest of the poor and because they use their incomes to feed, clothe and educate their children, thus reducing poverty in both the short and long term.

8. As regards the issue of hunger and inadequate access to nutrition by the poor in food-deficit countries, it is agreed that food aid can play a major role in the short-run in relieving poverty, particularly for women and children. Well-targeted food aid could concurrently help eliminate present hunger among the poor and catalyze their self-reliant growth. In particular, access to food in adequate quantities and on a regular basis can allow women to devote their energy to productive activities and permit children to attend school and to escape disease. It is felt that food aid cannot be used as a long-term solution to poverty. Access to income and other forms of purchasing power will be a more appropriate strategy.

9. Debt relief may directly and indirectly be one of the principal elements to help reduce poverty if the freed resources are properly mobilized and channelled for developmental and poverty-alleviation purposes.

C. REVIEW OF THE IMPLEMENTATION OF THE WORK PROGRAMME OF THE STANDING COMMITTEE ON POVERTY ALLEVIATION

10. UNCTAD's Standing Committee has served as a useful forum to deal with the issues of poverty alleviation and reduction, in relation to international trade and development. Further, the approach chosen to deal with the exchange and examination of national experiences through the Intergovernmental Group of Experts and the Tunis and Santiago workshops was particularly helpful in identifying and disseminating useful conclusions and recommendations derived from field experiences in dealing with poverty concerns.

11. The Standing Committee on Poverty Alleviation had been established as one of the innovative instruments for implementing the new partnership for development and peace, launched in Cartagena at UNCTAD VIII. It is agreed that the Committee has done valuable work on various issues on its agenda during its three sessions. In accordance with paragraph 76 of the Cartagena Commitment, the Standing Committee has decided to transmit its recommendations and conclusions to UNCTAD IX, through the Trade and Development Board, for consideration and appropriate action.

12. Active participation by United Nations agencies and other relevant international organizations would have a positive impact on focusing the direction of possible future work of the Standing Committee on Poverty Alleviation.

13. The timing of the third session of the Standing Committee on Poverty Alleviation, following as it does the World Summit for Social Development (Copenhagen, March 1995), provides an ideal opportunity for UNCTAD to identify

follow-up measures on relevant commitments undertaken in the World Summit's Programme of Action and Declaration on Social Development. In this connection, UNCTAD has an important role to play in the follow-up to commitments made in the Copenhagen Declaration on Social Development.

14. As regards future work on poverty alleviation, there is a consensus that UNCTAD has a major role to play in the area of international economic cooperation and trade, and that it should continue its work on poverty issues where it has expertise and competence. With respect to institutional reform, the review of the implementation of the work programme of the Standing Committee and orientation of its future work has provided an ideal opportunity to reflect on whether the existing form of intergovernmental machinery for addressing poverty alleviation was the appropriate one or the most effective arrangement, or whether some alternative form could be envisaged. However, it is agreed that the issue be deferred to UNCTAD IX, for its consideration.

Annex II

CHAIRMAN'S SUMMARY a/

(Agenda item 3)

I. International trade and poverty alleviation

A. Presentation by the guest speaker

1. The guest speaker, Mrs. Sheila Page, introduced the topic of assessing the effects of the Uruguay Round on poverty. She noted that the quantifiable estimates of the effects of the draft Uruguay Round agreements were much higher than the estimates based on the Final Act. The effects were especially small when the figures were compared to the gross domestic product of the countries concerned. Although many studies had been carried out concerning the effects of the Uruguay Round on different countries, UNCTAD's study was the first that had attempted to link the Round's effects to poverty. She pointed out that one of the basic assumptions of the study was that any change in trade would affect economic growth and that, through this link, trade changes would affect poverty. The other assumption of the study was that income distribution was unaffected by growth. The application of an absolute poverty line of US$ 1 per day allowed international comparisons to be made but restricted analysis of the impact on the poor who were immediately above and below the line.

2. She noted that the largest effects of the Uruguay Round on developing countries had come from changes in the Multi-Fibre Arrangement (MFA). The main losers would be those countries that would have received new investments in textiles industries, had the Round not removed MFA quotas on the more successful. Moreover any countries that had profited from distortions and special exemptions (such as through the Lomé Convention or GSP) would tend to lose. However, the poor in the mainly Asian newly industrialized countries (NICs), as well as those exporting to the NICs, would gain due to the Round.

3. In pointing out that the UNCTAD report did not differentiate between which groups of people would be affected by the Uruguay Round, she said that this could have been addressed using a sectoral approach, but added that the problems of using this approach on a country-by-country basis would have been insuperable.

4. Concerning the reductions of subsidies for temperate agricultural produce, the Uruguay Round helped make more sense of the world agricultural system. However, measuring the effects of changes in world market prices on poor people was difficult because the effects depended on the prevailing conditions in each country. If the government was already putting a higher price on imported food (or subsidizing it), the change in the world market price would directly affect the government's budget rather than the standard of living of the poor, which would, in turn, modify the government's ability

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a/ Annexed to the report of the Standing Committee on Poverty Alleviation in accordance with a decision taken at its third session.

to alleviate poverty. Moreover, it was important to know the food consumption patterns of the poor before any final analysis could be made of the effects of the Round on the poor in terms of food imports.

5. The liberalization of imports of developing countries may be beneficial to the poor. For instance, if the price of imported textiles dropped because of the Uruguay Round, the poor would often benefit.

6. Concerning the timing of the effects, she noted that most of the losses of the Uruguay Round would materialize fairly quickly whereas the gains would be realized with a delay of up to 10 years. She suggested that there could be a serious problem of a transition period and thus the case for transition relief was strong, and not only for food importing countries. It should also be noted that employment effects tended to be the last ones to be felt if a particular industry was expanding, because first the existing capacity was utilized and only later did employment rise.

7. The increase in intellectual property protection contributed, on balance, to a net growth in the incomes of highly skilled labour, both in developed and developing countries, and thus to a relative loss to other labour, including the poor.

8. As a gender issue, she noted that it seemed likely that women might gain more than men from the Uruguay Round because of the types of goods being liberalized, e.g. clothing and services.

B. Summary of discussions

1. Impact of the Uruguay Round on growth and poverty

9. The Standing Committee generally saw the overall impact of the Uruguay Round on growth and poverty as being relatively small. Some delegations believed that the positive effects of the Uruguay Round would accrue in the short term to the developed countries, whereas negative effects would be experienced by many developing countries. Most of the positive effects to the developing countries would materialize only in the longer term. However, many developing countries would gain in the long term provided that they had the necessary preparedness and assistance. In some countries, the impact could be large if the exports of the country were dominated by goods affected by the Uruguay Round. For instance, present textile-exporting countries would lose on account of the removal of MFA quotas, whereas the most efficient producing countries would gain. No country, however, would exclusively gain or lose on account of the Round.

10. Intellectual property rights and their impact on the prices of pharmaceuticals were briefly discussed, with some delegations expressing concern that prices in this area could rise as a result of the Uruguay Round. One delegation observed that, conversely, local market conditions of essential drugs could be as important as patents in determining local pharmaceutical prices.

11. With respect to the impact of the Uruguay Round on poverty, it was expected that net changes in the incidence of poverty would be limited since net changes in economic growth attributable to the Round would be small. There were some reservations as to whether it was appropriate to model the effects of the Round on poverty solely in terms of the Round's impact on national income. Grouping data even by similar countries would hide the specificities of each country and thus gives rise to possibly misleading results. Moreover, the poverty of food-deficit households could worsen as a result of more expensive food imports while, simultaneously, poverty in the same country could decline as a result of increased labour-intensive production for export. Some delegations, accordingly, suggested that more analysis of the Round's effects on poverty needed to be carried out on a disaggregated, country-by-country and sectoral basis. The effects on income distribution as well as on poverty could thus be better captured, and the need for appropriate policies could be identified.

12. One delegation noted that if the changes induced by the Uruguay Round were analyzed using poor people as the object of analysis, the results could be very different from using poor countries as the object of analysis.

13. Another delegation observed that the secretariat report on poverty alleviation and international trade should not have limited itself to the expected effects of the Uruguay Round, but should also have dealt with pre-Uruguay Round factors concerning trade.

2. Compensation issues with respect to the effects of the Uruguay Round

14. In the context of the consequence of the Uruguay Round agreements, the possibility was discussed of compensating losing sectors of a country's economy through transfers from gaining sectors. Some delegations noted that, although theoretically possible, compensation in such cases would not be a practical solution. Moreover, for a very poor country there would be limited resources to redistribute.

15. The issue of compensation arose also in the context of losses incurred by food-importing countries owing to price increases in temperate agricultural goods as a result of the Uruguay Round. The merits were discussed of compensation in the form of grant food aid or credits. It was pointed out that although funds might be available for such needs as balance-of-payment support, no funds would be earmarked especially for any food import effects of the Round. It was also noted that original estimates of a significant increase in the food import bill of developing countries had been revised downward to US$ 500 million, according to the latest FAO estimates. Food aid as being sometimes an unsatisfactory way of dealing with the problems facing net food importing countries was also discussed.

16. One delegation pointed out that higher food import prices could, if the markets in developing countries reflected the increase, lead to a rise in food prices that would be beneficial to the producers of food. Thus, an increase in real income in the rural areas could result, which would favour poor smallholders, albeit not food-deficit households.

3. Labour-intensive exports of small- and medium-sized enterprises

17. A number of delegations expressed the opinion that one of the most effective means of reducing poverty would be for developed countries to facilitate market access of labour-intensive goods produced in the developing countries. In this context it was noted that, although the post-Uruguay Round average import duties of developed countries would be about 4 per cent, they would be 35 per cent for textiles.

18. The importance of increasing the access of small- and medium-sized enterprises to world markets was in particular emphasized as the jobs which they created contributed significantly to the reduction of poverty. Suitable domestic policies and an appropriate institutional framework were also necessary for encouraging local small entrepreneurs to produce and market their goods effectively. Subcontracting arrangements with large companies were also proposed as an effective way for the small-scale sector to expand.

19. With respect to export taxes, one delegation pointed out that although the use of such taxes was not the ideal approach for many developing countries in fostering exports, it was a "second best" alternative in terms of encouraging their entrepreneurs to export finished goods instead of raw materials.

20. Another delegation observed that when emphasis was placed on a unique approach to poverty alleviation, such as the labour-intensive production of textiles or footwear for export, other issues risked being ignored, such as the possible consequent damage to the environment. Other delegations, however, rejected the link between poverty and the environment, stating that the underlying motivation for that concern, as with labour standards and child work, could simply reflect a new form of protectionism.

21. In noting that the workshop in Santiago had dealt with small-scale, export-oriented enterprises, some delegations expressed regret that there had been few participants from the Asian and African regions in attendance. The findings of the workshop did not pay sufficient attention to those regions where most of the poverty in the world was concentrated. Moreover, the poverty challenge in Latin America was mainly an urban problem, unlike Africa and Asia where it was mainly a rural phenomenon.

(Agenda item 4)

II. Development cooperation and aid effectiveness

A. Presentation by the guest speaker

22. The guest speaker, Mr. Jean-François Giovannini, talked about official development assistance in terms of its role in alleviating poverty. He first explained the legal bases and general principles underpinning Swiss aid to developing countries, then emphasized that poverty reduction was not simply a matter of efficient public management but rather one of changes in policy priorities. Among the priorities cited, in addition to poverty, were human rights, gender issues and child protection. He then gave two examples of poverty-alleviation projects that had been supported by Swiss official

assistance. The first was a "user group support" project within the framework of the "Integrated Hill Development Project", an integrated regional development scheme in Nepal. The user groups consisted of those who make use of a specific facility, such as a school or a drinking water installation, together looking after the maintenance of the facility. They discussed the needs of their members and organized all of the activities of the group concerned, in particular the assignment of tasks. Besides awareness creation and repair and maintenance of the social infrastructure, the user groups were responsible for income-generating activities. The functioning of the project was in the hands of "Tukis" associations, that is, farmers trained in agricultural extension work. An evaluation of the project showed that, while the user groups and "Tukis" associations functioned well, the literacy and training courses for the user groups had had shortcomings. Moreover, up-keep activities had been disappointing and income-generating activities had produced only limited results. The second example was the Malakand Fruit and Vegetable Development Project in Pakistan. The programme covered 30,000 km² and over 100 communities. It involved counter-seasonal production of a large volume of onions and tomatoes. From an economic and technical perspective, the programme was a success. Nevertheless, it failed to improve either the local distribution of income or the conditions of the most disadvantaged groups, in particular women.

23. As both projects had yielded mixed results, this underscored the need for effective project monitoring and evaluation as a vital component of aid-giving. Even donor projects that appeared to be well-planned and targeted at helping disadvantaged areas could experience shortcomings which could be uncovered and remedied with proper monitoring and evaluation techniques that utilize appropriate performance and impact indicators.

B. Summary of discussions

1. Debt relief and poverty alleviation

24. The Standing Committee noted that cumulative losses from the deterioration in the terms of trade and a heavy debt-servicing burden had put severe strains on the ability of national Governments to fund anti-poverty projects and programmes. In this connection, it debated the question of whether or not debt relief was a viable instrument for alleviating poverty. Some delegations expressed reservations while others believed that debt relief was an essential component of development cooperation. Debt relief could play an important role in the mobilization of resources for poverty alleviation by removing foreign exchange constraints and releasing local currencies for the funding of projects targeted at the poor. In certain cases, the debt-relief dividend could be earmarked for poverty alleviation programmes, as a form of partnership between recipient and donor countries.

25. Some delegations voiced the opinion that a better management of the debt-relief dividend was highly desirable, and funds so released should be suitably allocated to development needs. A number of delegations also felt that debt relief should be further supported by constant new inflows of fresh financial resources. Indeed, debt relief had often been insufficient. In the case of low-income and food-importing countries, in particular, debt-relief had not covered the losses suffered by those countries in servicing their debt

and coping with the deterioration of their terms of trade. In addition to debt relief, it was important that anti-poverty programmes and projects, to be sustainable, have access to ODA on a constant and predictable basis.

2. The role of the State in administering aid

26. As regards the role of the State in administering and monitoring aid, there was a convergence of views on the need for countries that were beneficiaries of aid to elaborate appropriate strategies so as (a) to implement adequately aid projects by, inter alia, taking responsibility for much, if not most, of the ensuing recurrent internal costs, and (b) to organize an appropriate distribution of aid that would favour poverty-stricken areas, mainly the rural areas and economic sectors where the incidence of poverty was greatest. It was important when allocating aid to strike a balance between (a) the rural and urban sectors, and (b) the traditional and modern sectors. So as to make it possible for development aid resources to reach the poor, appropriate macroeconomic structures and policies were also important, including the provision of an enabling environment and policy framework. Following the reduction of trade barriers upon conclusion of the Uruguay Round, the traditional sector should be assisted by government so that it could maintain its position in the face of increased competition from the modern sector. Although necessary, economic growth and trickle-down effects were not sufficient of themselves to make a major impact on poverty alleviation.

3. Targeting and decentralization

27. Targeting was an essential mechanism for satisfying the basic needs of the poorest and most vulnerable. Targeting, however, was a daunting and challenging process, requiring sound and judicious management and good information capability.

28. The need for decentralization was recognized as an important condition for aid effectively to reach and benefit the poor. Increasing the participation of the beneficiary groups, at the grass-roots level, was critically important. In order for poor people to take an active part in the development matters of concern to them, they must play an active role in the design, implementation and evaluation of the projects intended to be of benefit to them.

4. Non-governmental organizations

29. The primordial responsibility of the State vis-à-vis non-governmental organizations (NGOs) was highlighted by a number of delegations. They cautioned that NGOs should not encroach upon the role of Governments in (a) the elaboration of poverty alleviation programmes, (b) the implementation of such programmes at the local and regional levels, and (c) the identification of the needs of vulnerable groups. Only the State could ensure that aid really reached the poor, and only the State could guarantee the sustainability of efforts to fulfil the expectations of the poor. Regular evaluation of the work of NGOs was necessary; local and national NGOs should be accountable to, and coordinated by, national Governments. Other delegations, however, defended the usefulness of NGOs in terms of the ability

of many of them to work effectively at the grass-roots level. They believed that NGOs and other forms of social groupings could be highly effective in mobilizing the poor and in identifying their needs, rights and opportunities.

5. Infrastructure

30. The Standing Committee concurred that aid should be utilized for - among other purposes - the building up of the physical infrastructure of a country or region, such as, for example, water supply, irrigation schemes, and housing of benefit to the poor. Investment in the provision of housing, it was noted, not only generated income and jobs, but also had a multiplier effect at the national level; this was even more pronounced in the case of informal-sector housing, as compared to the formal housing sector.

6. Quality and quantity of aid

31. Some delegations pointed to the growth of "aid fatigue" in donor countries, which they said could only be combatted if politicians and the citizens of those countries were to sense that the quality, efficiency and effectiveness of aid were improving. There was a divergence of opinion concerning one assumption put forward that an improvement in the quality of aid had, in many instances, offset the decreasing quantity of aid. Many delegations supported the view that, when the quantity of aid became inadequate, poverty-alleviation programmes could not be made operational.

32. Concern was expressed that the allocation of aid tended to be aimed at middle-income developing countries rather than the low-income countries where the majority of the poor were concentrated, that tied aid was both qualitatively and quantitatively unsatisfactory, and that tied aid undermined the principle of State sovereignty. Likewise, donor aid conditionality very often conflicted with national priorities. A partnership approach consisting of an on-going dialogue between donors and recipient countries on an equal basis was advocated by many delegations as the most effective way to resolve divergent concerns. In establishing suitable modalities for aid giving, both donors and recipients should coordinate their efforts to obtain the best results possible in terms of poverty alleviation.

7. The role of women in development and the enhancement of human capital

33. The Standing Committee emphasized the role of women as being instrumental to the alleviation of poverty. Studies had shown that when women were accorded responsibility for channelling food aid, an improvement in the general level of nutrition was observed. Hence, it was important to design and implement gender-sensitive projects and programmes that would alleviate poverty among women, who not only suffer most from poverty but often have the prime responsibility to feed, cloth and educate their children with whatever means at their disposal, and hence had the potential to contribute significantly towards viable and long-term solutions to the problems of poverty.

34. As regards the enhancement of human capital, it was stressed that education was the most important factor, in particular primary education, which was a fruitful investment for the poor in general and a valuable asset for the poor who become migrants moving to areas of higher potential earnings.

35. One delegation pointed to the importance of having a follow-up to the "20-20 Initiative" for sustained poverty alleviation launched at the World Summit for Social Development in Copenhagen in March 1995. A proposal had been made to organize a North-South seminar on the 20-20 Initiative to discuss commitments, definitions and modalities of monitoring.

8. Information on poverty and further research on the causes of poverty

36. A few delegations called for more research on the structural causes of poverty, and the identification of the poor, as such information could be of help in the design of aid assistance for poverty alleviation. Others felt that many studies of this nature already existed and that it would be more fruitful to concentrate now on evaluating the effects on the poor of poverty alleviation programmes which had been, or were already being, carried out.

9. Comments on TD/B/CN.2/14

37. The Standing Committee praised the secretariat report on development cooperation and aid effectiveness for being both timely and appropriate. The chapters on institutional aspects and on "best practice" examples had been particularly useful. However, the lack of up-to-date information in the report with respect to debt-forgiveness was considered regrettable, as was the insufficient emphasis on the role played by aid in reducing poverty in the long term through investment in economic growth. More attention could have been paid to gender issues and the human resource roles of education and health care in reducing poverty over the long term. Also, some delegations expressed reservations about donors helping to finance any of the recurrent costs of ODA-supported basic-needs programmes.

III. Review of the implementation of the Work Programme of the Standing Committee on Poverty Alleviation

38. For its consideration of this subject, the Standing Committee had before it the following document:

> "Review of the implementation of the work programme of the Standing Committee on Poverty Alleviation, and proposed future orientation of the work of the Committee", note by the UNCTAD secretariat (TD/B/CN.2/15).

1. Implementation of the work programme

39. Delegations expressed satisfaction with the quality and volume of studies on this subject prepared by the UNCTAD secretariat. Many delegations stated their conviction that the UNCTAD Standing Committee has served as a useful forum to deal with issues concerning poverty alleviation and reduction. The exchange and examination of national experiences had proved very useful. In this connection, work carried out by the Intergovernmental Group of Experts

and the Tunis and Santiago workshops had been particularly helpful in identifying and disseminating useful conclusions and recommendations concerning poverty alleviation derived from field experiences. Although, more resources would have to be mobilized for funding further workshops, funding the participation of experts would not, in itself, ensure adequate participation at the appropriate levels. For this, it would be necessary to focus the topics of workshops on specific and practical issues. One delegation said that the workshops and expert group meeting organized by UNCTAD had helped throw light on viable solutions to poverty alleviation, stressing that success in poverty alleviation hinged on promoting a participatory style of government which could make the poor protagonists in their own development and integrate them into the mainstream of society.

40. On the role of international economic cooperation, several delegations stated that work within the Standing Committee had underscored the point that international support measures were essential for supporting the efforts of developing countries to reduce and prevent poverty. International forms of partnership, including an active role by international agencies, could be fruitful in improving policy dialogue and devising modalities whereby international economic cooperation could reach and help the poor.

41. One delegation noted that the Standing Committee on Poverty Alleviation had been established as one of the innovative instruments for implementing the new partnership for development and peace, launched in Cartagena at UNCTAD VIII. In line with this sense of partnership, the Standing Committee should not only focus on reaching conclusions and recommendations, but also seek to translate these commitments and recommendations into concrete actions. Hence the conclusions could be incorporated into the Ministerial Declaration of UNCTAD IX. Other delegations supported the view that some of the conclusions reached by the Standing Committee could serve as an input to the preparatory process for UNCTAD IX.

42. Most delegations felt that if the Standing Committee were to continue its work after UNCTAD IX, an active and constructive participation on the part of other United Nations agencies and international organizations could make a positive contribution to its deliberations. The Standing Committee provided a valuable opportunity to learn and draw lessons from, as well as to identify areas for, international support and coordination measures to combat poverty. Active participation by the relevant United Nations agencies and multilateral organizations would have a decisive impact on focusing the direction of possible future work of the Standing Committee on Poverty Alleviation. In this regard, one delegation drew attention to the work of the International Committee on the Rights of the Child in which other United Nations agencies had played an active role and from which valuable lessons could be drawn.

2. New orientation for possible future work

43. Many delegations stated that the existing UNCTAD machinery was the appropriate one for addressing the issue of poverty alleviation and hence could be continued beyond UNCTAD IX. The possible future work of the Standing Committee on Poverty Alleviation, if it continued after UNCTAD IX, could include the development of an integrated approach to poverty alleviation,

focusing on inter alia, international trade and development issues with particular attention to gender issues, rural poverty, and the production of labour-intensive exports which could reduce poverty.

44. A number of delegations made the following proposals regarding the future work by UNCTAD on poverty alleviation:

- International economic cooperation and poverty alleviation;
- Foreign direct investment and poverty alleviation;
- Social integration and participation of the poor;
- Typologies of the different needs of the poor and policy measures to deal with poverty alleviation and reduction;
- Changes in international commodity prices and their impact on poverty;
- Revitalization of national economic activities, including integration of the dual economic sector, as a measure for dealing with poverty alleviation.

45. Many delegations were of the view that UNCTAD should address poverty in the context of UNCTAD's own areas of specialized competence and its mandate. Work within UNCTAD would therefore be focused, inter alia, on poverty issues related to the problems of the least developed countries, transfer of technology, foreign direct investment, commodities, ECDC and international trade and financial policies; resource flows and external debt. UNCTAD should also analyse the impact on poverty alleviation of globalizing and liberalizing forces in the world economy.

46. As regards outstanding issues in the work programme of the Standing Committee, several delegations felt that the secretariat should complete the one item remaining, namely the relationship between sustainable development and poverty alleviation. Timely completion of this report should be made to coincide with the International Year for the Eradication of Poverty (1996).

47. It was observed that the timing of the third session of the Standing Committee on Poverty Alleviation - three months after the World Summit for Social Development - offered an ideal opportunity for UNCTAD to identify follow-up measures to relevant commitments taken in the Programme of Action and the Copenhagen Declaration. Delegations felt that UNCTAD should play a role in the follow-up to the commitments made in the final Declaration of that Summit.

Method of work

48. The review by the Standing Committee of its working methods highlighted the effectiveness of workshops and expert group meetings in dealing in a highly informed and practical way with the problems of poverty alleviation. Some delegations called for the organization of shorter and more focused

Standing Committee sessions that would enhance the effectiveness of work on poverty alleviation, saying that this principle could be applied to all intergovernmental bodies of UNCTAD.

49. As regards methods of future work on poverty alleviation, there was a consensus that UNCTAD had a major role to play in the area of international economic cooperation and trade, and that it should continue its work on poverty issues where it had expertise and competence. With respect to institutional reform, some delegations considered the Standing Committee to be the appropriate forum for work on poverty alleviation and hence its mandate should be extended beyond UNCTAD IX. Other delegations were of the opinion that since this was an issue on the provisional agenda of UNCTAD IX, the Standing Committee need not make any recommendations on this question, so as not to prejudice any decision emerging from UNCTAD IX. A third option favoured seizing on the review of the implementation of the work programme of the Standing Committee and orientation of its future work to reflect on whether the existing form of intergovernmental machinery for addressing poverty alleviation was the most appropriate and effective arrangement. They felt that some alternative to the existing intergovernmental machinery should be explored but that this question should be deferred until UNCTAD IX. Whatever the institutional decision adopted by UNCTAD IX with respect to the future work of UNCTAD in this field, a number of delegations felt that it would be desirable to maintain UNCTAD's high profile commitment to alleviating poverty at a time when the United Nations system had been called upon by the World Summit for Social Development to renew and strengthen its efforts to alleviate poverty in the world.

Annex III

MEMBERSHIP AND ATTENDANCE a/

1. The following States members of UNCTAD were represented at the session:

Afghanistan
Algeria
Angola
Argentina
Bangladesh
Bolivia
Brazil
Cameroon
Chile
China
Cuba
Czech Republic
Democratic People's Republic of Korea
Ethiopia
Finland
France
Germany
Greece
Honduras
India
Indonesia
Iran (Islamic Republic of)
Iraq
Jamaica
Japan
Kenya
Libyan Arab Jamahiriya
Madagascar
Malaysia
Mali
Mexico
Morocco
Nepal
Netherlands
Portugal
Romania
Russian Federation
Spain
Sudan
Switzerland
Thailand
Trinidad and Tobago
Tunisia
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam
Zimbabwe

2. The following other States members of UNCTAD were represented as observers at the session:

Dominica
Ecuador
Holy See
Malawi
Mongolia
Nicaragua
Qatar
Sierra Leone
South Africa
United Republic of Tanzania

3. The United Nations Centre for Human Settlements (Habitat) and the World Food Programme were represented at the session.

The International Trade Centre UNCTAD/GATT was also represented.

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a/ For the list of participants, see TD/B/CN.2/INF.3.

4. The following specialized agencies were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
United Nations Educational, Scientific and Cultural Organisation
World Health Organization
International Monetary Fund

5. The following intergovernmental organizations were represented at the session:

Central American Integration System
European Community
Organization of African Unity

6. The following non-governmental organizations were represented at the session:

General Category

International Council of Women
Society for International Development
World Federation of United Nations Associations

Special Category

International Social Science Council

The International Council on Social Welfare attended at the special invitation of the secretariat.

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